PERMITTING PROGRESS

Permitting was wrapped up during this quarter. AELP worked closely with several agencies and consultants as we moved forward with the permitting portion of this project. Our analysis of our permitting budget indicates that we were on target. As of the end of this quarter, the remaining outstanding permit/application for the early entry permit and easement for laying of the submarine cable between Douglas Island and Admiralty Island was obtained in late October.

Below are tables for permits/applications that were been submitted. They have all been approved.

Submittal Recap

| Agency | Permit | Submittal Date | Status |
|---|--|---|--|
| USFS – Juneau Ranger District | Application for Transportation & Utility Systems on Federal Lands | September 5, 2003 | Record of Decision and Special Use Permit received on September 9, 2004 |
| US Army Corps of Engineers – Juneau Regulatory Branch | Application for Department of the Army Permit | February 10, 2004 | Permit has been received for Submarine Cable Crossing and a Determination that no permit would be required for ND & YB Termination Yards |
| CBJ – Community Dev't Dept. | Conditional Use Permit, Grade & Fill Permit, Development Plan for North Douglas SCTY | June 2, 2004 | Both Permits received July 15, 2004. |
| CBJ – Community Dev't Dept. | Conditional Use Permit, Grade & Fill Permit, Development Plan for Young Bay SCTY | June 2, 2004 | Both Permits received July 15, 2004. |
| USFS – Juneau Ranger District | Timber Sale Contract | June 28, 2004 as part of EA & TUS Application | Received signed contract on August 30, 2004, given notice to proceed September 3, 2004 |
| ADNR - MLW | Application for Easement, Environmental Risk Questionnaire for ND to YB sub-cable crossing. | July 2, 2004 | Received final Easement and Notice of Early Entry Permit on October 24, 2004 |

ENGINEERING PROGRESS

Progress for the engineering and design portions of the JGCHI project continue to be moving along as planned. The site work that is noticeable during this quarter was the construction of the overhead transmission line along the Greens Creek A-road. Other engineering including the staking of the submarine cable termination yards at North Douglas and Young Bay with clearing, grubbing and construction of the Young Bay termination yard pad.

The schedule for completion of the A-Road overhead transmission line is completed as initially planned. The budget for engineering and design remains on target for all activities.

Below is a table of progress for the ongoing engineering and design functions required for the Juneau / Greens Creek / Hoonah Intertie Project. (Items in red text have been completed.):

| Engineering Task | Performing Parties | Status |
|--|---|---------------|
| Power Flow Modeling and System Electrical Modeling | AELP / Power Engineers | 100% Complete |
| North Douglas Submarine Cable Termination Yard Civil Design | AELP / R & M Engineering | 100% Complete |
| North Douglas Submarine Cable Termination Yard Electrical Design | AELP / Tandem Systems | 95% Complete |
| Young Bay & North Douglas Submarine Cable Termination Yard Civil Design | AELP / R & M Engineering | 95% Complete |
| Young Bay & North Douglas Submarine Cable Termination Yard Electrical Design | AELP / Tandem Systems | 95% Complete |
| Young Bay to Hawk Inlet (A-Road) Transmission and Fiber Optic Line Design | AELP / Power Engineers | 100% Complete |
| Hawk Inlet to Greens Creek Mine (B-Road) Transmission and Fiber Optic Line Design | AELP / Power Engineers | 30% Complete |
| Geotechnical Survey for Greens Creek A-Road | AELP / Power Engineers | 100% Complete |
| Bid Specifications and Documents for Construction of the Young Bay to Hawk Inlet (A-Road) Transmission Line and Fiber Optic Line | AELP / Power Engineers | 100% Complete |
| Road Surveys and Staking of the A-Road | AELP / Power Engineers | 100% Complete |
| Routing Study/Marine Survey for North Douglas to Young Bay Submarine Cable | AELP / David Evans Assoc/Power Engineers/R & M Engineering | 100% Complete |
| Bid Specifications and Documents for Installation of the Submarine Cable between N. Douglas and Young Bay | AELP / Power Engineers | 100% Complete |
| B-Road Geotechnical Survey | AELP / R & M Engineering | 10% Complete |
| B-Road Surveys and Staking | AELP / R & M Engineering | 10% Complete |
| Bid Specifications and Documents for Construction of the Young Bay to Hawk Inlet (B-Road) Transmission Line and Fiber Optic Line | AELP / Power Engineers | 10% Complete |

CONSTRUCTION PROGRESS

Upon receiving the Timber Sale Contract signed on August 30th with a Notice to Proceed given on September 3rd, work began on clearing the right-of-way for the transmission line corridor and the Young Bay submarine cable termination yard.

Completion of the Bid Specifications and Documents for Construction of the Young Bay to Hawk Inlet (A-Road) Transmission Line and Fiber Optic Line allowed us to issue Requests for Proposals on July 16, 2004, for the labor and equipment to construct the A-Road transmission line. Bid openings for this RFP were on August 16, 2004. The Kwaan Electric Transmission Intertie Cooperative (KWETICO) Board of Directors had a board meeting following this bid opening and selected Wilson Construction to perform the work. Wilson and AELP signed a project agreement contract on September 20, 2004 and immediately thereafter made arrangements to travel to Admiralty Island to begin the construction. Wilson Construction arrived at Admiralty Island on September 27th, and began construction of the transmission line on the 29th. Wilson completed the construction of the A-Road transmission line on October 18, 2004 and demobilized on the 20th of October. Total days spent during the construction of the 4.5 mile transmission line by Wilson was an amazing 20 days.

Miscellaneous photos for this quarter are attached below as Appendix A.

APENDIX A Project Photographs



Photo 1 – Rock Drilling in order to set anchor for pole to be set.



Photo 2 – Crewman reading dynamometer to ensure that anchors meet specs for holding strength.



Photo 3 – Setting of Power Pole



Photo 4 – Locals inspect work along the A-Road.



Photo 5 – Crews prepare the conductor for "stringing" along the newly set power poles.



Photo 6 – Stringing of conductor on power poles.



Photo 7 – Conductor as strung, but prior to final tensioning.



Photo 8 – Power Poles completed after tensioning of conductor.



Photo 9 – Initial civil site preparations for the Young Bay submarine cable termination yard.



Photo 10 – Locals leaving the project site upon completion of 2004 construction activities.